GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2715
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TELECOM SERVICES
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the telecom services in the country has not reached the level of world class quality and are still not affordable to common people;

(b) if so, whether the tariffs on telephone services in the country are also very high;

(c) if so, the reasons for the same; and

(d) the corrective steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SIKDAR)

(a) to (d) : Sir, The Telecom Regulatory Authority of India (TRAI) which also monitors quality of service for various telecom services has notified Quality of Service (QoS) Regulation for both basic and mobile services setting world class bench marks against which the performance of service providers are monitored. The Authority has observed significant improvements in the performance of various network services due to introduction of state of art technologies as well as competition among service providers.

The long distance tariffs was earlier subsidizing rental and local call charges. The Telecommunication Tariff Order (TTO), 1999 notified by TRAI did rebalancing to align tariffs and specified a phased implementation, which led to a decline of about 35%in STD/ISD tariffs. The process of tariff re-balancing as envisaged by TTO, 1999 has been completed with the notification of the third tranche tariffs on the 14th March, 2002.

With the opening of the market for basic and NLD services to unlimited competition, there has been a further decline ranging between 50 to 63% in these tariffs, narrowing the gap between tariffs in India and the developed countries. A similar trend of tariff decline might be observable when competition arrives in the ILD sector which has also been opened to unlimited competition from April 1, 2002.

With regard to comparison of Indian tariffs with other countries, such comparison can be done on a rate by rate basis or by using a basket approach, which stimulates a typical user pattern over a period of time. Comparison is however difficult because of the many rates in the tariff scheme, varying exchange rates and differences in purchasing power across countries.